

Resilient, diversified business model continues to grow value through the cycle

Key HY24 financial metrics

- Revenue \$209.0m (- 2%)
- EBIT \$31.0m (+3%)
- NPBT \$26.9m (+5%)
- NPAT \$19.3m (+4%)
- Earnings per share 21.8 cps (+2%)
- Q2 dividend declared at 7.0 cps

Highlights

- Record net profit before tax (NPBT) of \$26.9m for HY24 (HY23 \$25.7m), 5% higher than the same period last year, proving resilience through the cycle during a significant retail downturn
- Reaffirm September 2024 guidance that the business is on track for another record result for FY25, exceeding \$50m NPBT target, which was first communicated in [xx date]
- Forecast FY25 dividend of at least 27 cps up 6% on pcp and capping a decade of strongly growing dividends from 10 cps in FY15
- Earning diversification proven again, with lower Auto Retail revenue offset by strong results for Finance, Insurance and Credit Management, as expected
- Consumer sentiment downturn put pressure on vehicle prices, reducing margins during the period, but now showing signs of recovery
- Resilient used car volumes, despite new car demand plummeting
- Motivated team with high levels of employee engagement and share ownership
- Sustained high performance acknowledged by a range of awards for the company, including finalist in Company of the Year 2024 in Deloitte Top 200 Awards

Turners Automotive Group (NZX/ASX: TRA) produced a strong result for the six months to September 30, 2024, in the face of extremely challenging macro market conditions, demonstrating that the company's strategy to enable it to grow through the cycle, thanks to its diversified business model, and to maintain healthy dividends, is proving effective.

CEO Todd Hunter said, "During one of the deepest downturns in New Zealand retail, that required us to reduce used car prices between March and August to meet the market, the agility and resilience of the business showed through with the natural stabilisers of our annuities businesses in finance and insurance, offsetting the pressure on Auto Retail. This demonstrates that our strategy to build a business that can grow and deliver value through the cycle is paying off. This result reflects not only the effectiveness of our diversified model, but also the quality and skill of our team which responded in an agile fashion to market conditions to ensure that, while margins were squeezed in Auto Retail, volumes were slightly up and we continued to grow market share and deliver value for our customers."

Financial results

Group Revenue of \$209.0m was down -2% on PCP, driven by a 6% decline in Auto retail somewhat offset by an increases in Finance, Insurance and Credit Management. Our diversified business model supported EBIT growth of +3% on PCP to \$31.0m. Segment profit from Finance (+59%), Insurance (+8%) and Credit Management (+2%), offset a -18% decline in Auto Retail. This again proves the resilience of our model.

Reported NPBT for the six months to September, 2024, rose 5% to \$26.9m (HY24: \$25.7m). Earnings per share for HY25 was 21.8M up 2% (HY24 21.2 cps). The Board paid a Q1 dividend of 6.0 cps, and has declared a Q2 dividend of 7.0 cps, projecting a full year imputed dividend of at least 27 cps, based on our dividend policy to pay out 60-70% of net profit after tax (NPAT).

25 November 2024



Chairman Grant Baker said, “Growing profit in this environment is a considerable achievement, and Turners has demonstrated it can improve returns to shareholders over time thanks to its consciously-developed, diversified business model that offers upside in downturns as well as periods of economic expansion. We have more than doubled dividends over the past decade, continuously striving for record results, as well as continuing to invest for future growth. We have considerable opportunity still before us as a trusted partner for customers in the life cycle of vehicle ownership.”

Key Drivers of HY25 result

- Auto Retail: volumes up but margins on owned stock down as market demand weakened sharply, prompting a material pricing contraction from March through August, although this is now recovering
- Finance: The interest rate environment is becoming a tail wind in Finance with net interest margin rebuilding, and arrears (2.8%) performing significantly better than market levels (6.4%)
- Insurance: Gross Written Premium was flat on PCP but margins continue to improve. Claims ratio is being well managed. Claims cost inflation has dissipated.

Q3 Update

- Auto retail: Vehicle pricing strengthening and vehicle margins improving.
- Finance: Arrears performing well and originations starting to lift. Benefit of easing OCR still to come in the second half of the year.
- Insurance: Claims continue to track below expectations, with policy sales holding up well.
- Credit: Corporate debt load recovering slower than expected, but SME debt load increasing quickly. NZ-wide credit metrics continue to deteriorate which amounts to a tail wind for second half.

Outlook - H2 trading expected to be more positive for all divisions

With signs that Auto Retail is through the sharp pricing contraction (March – August, 2024), the second half of FY25 offers more positive trading and margin conditions than the first half. The pipeline of branch expansion opportunities is growing, and development phase of new branches is going well whilst the incremental benefit won't accrue in this financial year.

A strong Auto Retail business is proving to have a great halo effect for Finance and Insurance. The interest cycle is moving into a phase that will provide a tail wind for Finance. The strength of the Turners brand continues to grow, along with continuous improvement in systems, technology and people. Our acquisition of My Auto Shop, as well as distribution agreements in Insurance, is proving there is opportunity for considerable further leverage across the network.

The company is on track for a record result for FY25, expected to exceed its \$50m NPBT target.

ENDS

About Turners

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector www.turnersautogroup.co.nz

For further information, please contact:

Todd Hunter, Chief Executive Officer, Turners Automotive Group Limited, Mob: 021 722 818

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Appendix: Divisional Results

Auto Retail: Revenue \$146.3m -6%, Segment Profit \$14.7m -18%

- Increased market share from our enhanced brand and growing footprint
- Retail (Buy Now) unit sales up 9% to circa 11,050 units; wholesale auction units up 3% to circa 10,050 units
- Margin pressure as prices dropped with overall margin on owned vehicles down 28% for HY25
- Total owned units sold in HY25 up 6% over HY24
- Entering a build phase for next growth push which will benefit future periods
- My Auto Shop proving a compelling and synergistic investment

Finance: Revenue \$33.6m +11%, Segment Profit \$8.1m +58%

- Despite industry contraction, total ledger expanding again and up to \$426m (HY24 \$418m)
- Consumer lending up and commercial lending down. Credit policy tightened to focus on cars, vans and utes and move away from trucks and machinery lending
- Quality now stress-tested: arrears are substantially below industry norms, and quality lending continuing to improve (credit scores and less commercial lending)
- Net interest margin expanding as OCR turns from headwind to tailwind
- Turners-controlled ledger up to \$98m from \$86m
- Heavy lifting done on pricing over last 18 months is paying off

Insurance: Revenue \$23.7m +4%, Segment Profit \$7.7m +8%

- Gross Written Premium (GWP) flat at \$20.6m for HY25, but margins improving
- Claims ratio is being well managed (overall claims costs flat HY25 v HY24)
- Claims cost inflation has dissipated
- Total overheads down \$300k to \$4.3m; investment income up \$400k to \$1.9m, and MVI commission up \$300k to \$1.1m
- MVI premium portfolio with VeronZ now at \$35m per annum and growing at circa 40%, demonstrating opportunity for further leverage of our network for high growth, high margin distribution plays
- Digital direct platform just launched, offering material upside over time.

Credit Management: Revenue \$5.4m +2%, Segment Profit \$1.8m +2%

- Debt referred and collected slowly growing as business recovers
- Tightening economy supports growth – our customers are still ‘reputation sensitive’ but that is starting to change
- Economic pressures represent a growing tailwind
- Growing demand from small businesses where economic pain is greatest
- Payment bank being rebuilt.

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Results announcement

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Results for announcement to the market		
Name of issuer	Turners Automotive Group Limited	
Report period	6 months to 30 September 2024	
Previous reporting period	6 months to 30 September 2023	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$208,551	-2%
Total revenue	\$208,986	-2%
Net profit from continuing operations	\$19,300	4%
Total net profit	\$13,857	
Interim dividend		
Amount per quoted equity security	\$0.07000000	
Imputed amount per quoted security	\$0.02722200	
Record date	10 January 2025	
Dividend payment date	29 January 2025	
	Current period	Prior comparable period
Net tangible assets per quoted security	\$1.53	\$1.47
A brief explanation of any of the figures above necessary to enable the figures to be understood	Please refer to accompanying Company Announcement	
Authority for this announcement		
Name of person authorised to make this announcement	Barbara Badish	
Contact person for this announcement	Todd Hunter	
Contact phone number	021 722 818	
Contact email address	Todd.Hunter@turners.co.nz	
Date of release through MAP	25 November 2024	

Unaudited financial statements accompany this announcement

Turners Automotive Group Limited

Condensed consolidated statement of comprehensive income for the six months ended 30 September 2024

	Notes	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Revenue	4	208,551	213,856	416,145
Other income	4	435	377	823
Cost of goods sold		(85,248)	(93,069)	(177,175)
Interest expense		(13,957)	(13,402)	(27,842)
Impairment provision expense	4	(1,615)	(2,448)	(4,616)
Subcontracted services expense		(8,950)	(7,973)	(15,466)
Employee benefits		(34,572)	(33,587)	(66,365)
Commission		(6,139)	(6,481)	(11,070)
Advertising expense		(2,794)	(3,088)	(5,650)
Depreciation and amortisation expense	4	(5,719)	(5,635)	(11,968)
Systems maintenance		(2,706)	(2,392)	(5,384)
Claims		(11,031)	(10,484)	(21,901)
Other expenses		(9,322)	(9,974)	(20,392)
Profit before taxation		26,933	25,700	49,139
Taxation expense		(7,633)	(7,174)	(16,173)
Profit for the year		19,300	18,526	32,966
Other comprehensive income/(loss) for the year (which may subsequently be reclassified to profit/loss), net of tax				
Cash flow hedges		(5,286)	(418)	(4,118)
Revaluation of financial assets at fair value through OCI		(157)	(73)	(73)
Foreign currency translation differences		-	5	21
Total other comprehensive income/(loss)		(5,443)	(486)	(4,170)
Total comprehensive income for the year		13,857	18,040	28,796
Earnings per share (cents per share)				
Basic earnings per share	7.2	21.79	21.30	37.71
Diluted earnings per share	7.2	21.72	21.24	37.61

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Turners Automotive Group Limited
Condensed consolidated statement of changes in equity
for the six months ended 30 September 2024

	Notes	Share capital \$'000	Share options \$'000	Translation reserve \$'000	Revaluation of financial assets at FV through OCI \$'000	Cash flow hedge reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 31 March 2023 (audited)		207,076	284	(39)	(1,176)	5,892	58,376	270,413
<i>Transactions with shareholders in their capacity as owners</i>								
Dividend reinvestment plan	7.1	1,489	-	-	-	-	-	1,489
Employee share-based payments	7.1	1,036	(64)	-	-	-	-	972
Dividend paid	7.3	-	-	-	-	-	(11,287)	(11,287)
Total transactions with shareholders in their capacity as owners		2,525	(64)	-	-	-	(11,287)	(8,826)
<i>Comprehensive income</i>								
Profit		-	-	-	-	-	18,526	18,526
Other comprehensive income/(loss)		-	-	5	(73)	(418)	-	(486)
Total comprehensive income for the year, net of tax		-	-	5	(73)	(418)	18,526	18,040
Balance at 30 September 2023 (unaudited)		209,601	220	(34)	(1,249)	5,474	65,615	279,627
<i>Transactions with shareholders in their capacity as owners</i>								
Dividend reinvestment plan	7.1	3,645	-	-	-	-	-	3,645
Employee share-based payments	7.1	(24)	23	-	-	-	-	(1)
Dividend paid/payable	7.3	-	-	-	-	-	(15,803)	(15,803)
Total transactions with shareholders in their capacity as owners		3,621	23	-	-	-	(15,803)	(12,159)
<i>Comprehensive income</i>								
Profit		-	-	-	-	-	14,440	14,440
Other comprehensive income/(loss)		-	-	16	-	(3,700)	-	(3,684)
Total comprehensive income for the year, net of tax		-	-	16	-	(3,700)	14,440	10,756
Balance at 31 March 2024 (audited)		213,222	243	(18)	(1,249)	1,774	64,252	278,224
<i>Transactions with shareholders in their capacity as owners</i>								
Dividend reinvestment plan	7.1	1,594	-	-	-	-	-	1,594
Employee share-based payments	7.1	701	-	-	-	-	-	701
Dividend paid/payable	7.3	-	-	-	-	-	(6,634)	(6,634)
Total transactions with shareholders in their capacity as owners		2,295	-	-	-	-	(6,634)	(4,339)
<i>Comprehensive income</i>								
Profit		-	-	-	-	-	19,300	19,300
Other comprehensive income/(loss)		-	(66)	-	(157)	(5,286)	-	(5,509)
Total comprehensive income for the year, net of tax		-	(66)	-	(157)	(5,286)	19,300	13,791
Balance at 30 September 2024 (unaudited)		215,517	177	(18)	(1,406)	(3,512)	76,918	287,676

Turners Automotive Group Limited
Condensed consolidated statement of financial position
as at 30 September 2024

	Notes	30/09/2024 Unaudited \$'000	30/09/2023 Unaudited \$'000	31/03/2024 Audited \$'000
Assets				
Cash and cash equivalents	8	16,680	12,639	17,523
Financial assets at fair value through profit or loss				
- Insurance		72,694	67,441	69,483
- Other		75	75	75
Trade receivables		6,874	10,581	7,277
Inventories		16,115	23,803	25,051
Finance receivables	5	430,852	420,940	430,299
Other receivables, deferred expenses and contract assets		13,317	17,818	13,782
Derivative financial instruments		-	5,474	1,774
Financial assets at fair value through OCI		1,000	157	157
Reverse annuity mortgages		1,351	2,685	2,489
Investment in associate	9	3,350	-	-
Property, plant and equipment		130,271	109,122	113,948
Right-of-use assets		19,885	20,781	20,716
Intangible assets		163,059	163,394	163,084
Total assets		875,523	854,910	865,658
Liabilities				
Other payables		47,443	49,229	48,352
Contract liabilities		972	1,453	1,297
Tax payables		3,186	2,485	5,183
Deferred tax		14,808	12,127	15,037
Derivative financial instruments		3,507	-	-
Borrowings	6	425,574	417,385	425,318
Lease liabilities		23,851	25,619	24,924
Life investment contract liabilities		7,361	6,878	7,188
Insurance contract liabilities		61,145	60,107	60,135
Total liabilities		587,847	575,283	587,434
Shareholders' equity				
Share capital	7.1	215,517	209,601	213,222
Other reserves		(4,759)	4,411	750
Retained earnings		76,918	65,615	64,252
Total shareholders' equity		287,676	279,627	278,224
Total shareholders' equity and liabilities		875,523	854,910	865,658
Total assets per share (\$)		9.84	9.77	9.80
Net tangible assets per share (\$)		1.53	1.47	1.47

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Turners Automotive Group Limited

Condensed consolidated statement of cash flows

for the six months ended 30 September 2024

	Notes	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Cash flows from operating activities				
Interest received		31,404	26,918	56,183
Receipts from customers		220,709	183,474	359,265
Receipt of government subsidies		-	13	13
Interest paid - borrowings		(13,509)	(12,453)	(25,954)
Interest paid - lease liabilities		(728)	(692)	(1,483)
Payment to suppliers and employees		(197,202)	(170,628)	(330,265)
Income tax paid		(9,890)	(11,752)	(15,259)
Net cash outflow from operating activities before changes in operating assets and liabilities		30,784	14,880	42,500
Net increase in finance receivables		(2,215)	81	(11,117)
Net decrease in reverse annuity mortgages		1,235	391	673
Net (increase)/decrease of financial assets at fair value through profit or loss		(2,917)	(752)	(2,293)
Net (withdrawals)/contributions from life investment contracts		36	12	(92)
Changes in operating assets and liabilities arising from cash flow movements		(3,861)	(268)	(12,829)
Net cash (outflow)/inflow from operating activities	2	26,923	14,612	29,671
Cash flows from investing activities				
Proceeds from sale of property, plant, equipment and intangibles		2,456	1,761	3,180
Purchase of property, plant, equipment and intangibles		(18,403)	(8,743)	(18,641)
Purchase of investments		(4,350)	-	-
Sale of investments		-	-	5,526
Net cash inflow/(outflow) from investing activities		(20,297)	(6,982)	(9,935)
Cash flows from financing activities				
Net bank loan advances/(repayments)		16,630	(64,650)	(38,325)
Net non-bank loan advances/(repayments)		(16,374)	70,000	51,608
Principal elements of lease payments		(3,217)	(3,076)	(6,303)
Proceeds from the issue of shares		534	2,177	918
Dividend paid		(5,042)	(11,287)	(21,956)
Net cash inflow/(outflow) from financing activities		(7,469)	(6,836)	(14,058)
Net movement in cash and cash equivalents		(843)	794	5,678
Add opening cash and cash equivalents		17,523	11,845	11,845
Closing cash and cash equivalents		16,680	12,639	17,523
Represented By:				
Cash at bank	8	16,680	12,639	17,523
Closing cash and cash equivalents		16,680	12,639	17,523

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Notes to the condensed financial statements for the six months ended 30 September 2024

1. Accounting policies and significant judgement, estimates and assumptions

The same accounting policies included in the Group's Annual Report for the year ended 31 March 2024 have been applied when preparing these consolidated condensed financial statements.

These consolidated condensed financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Accounting Standard 34 Interim Financial reporting ('NZ IAS 34') and International Accounting Standard 34 Interim Financial Reporting ('IAS 34'). The Group is a Tier 1 for-profit entity in accordance with XRB A1 Application of the Accounting Standards Framework.

The same significant judgments, estimates and assumptions (including basis of segmentation and the fair value measurement) included in the notes to the financial statements in the Group's Annual Report for the year to 31 March 2024 have been applied to these financial statements. The business does not experience notable seasonal variations. There has been no change to the basis of segmentation from that applied at 31 March 2024.

2. Cash flow reconciliation

	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Reconciliation of net surplus with cash flows from operating activities			
Profit for the year	19,300	18,526	32,966
Adjustment for non-cash and other items			
Impairment charge on finance receivables, reverse annuity mortgages and other receivables	1,613	2,448	4,627
Net loss/(profit) on sale fixed assets	(136)	(70)	(204)
Depreciation and amortisation	5,719	5,635	11,968
Capitalised bank interest	(422)	-	-
Capitalised reverse annuity mortgage interest	(97)	(151)	(291)
Deferred revenues	1,140	993	713
Fair value adjustments on assets/liabilities at fair value through profit and loss	(294)	(54)	(573)
Net annuity and premium change to policyholders' accounts	205	(176)	394
Deferred expenses	(233)	629	765
Adjustment for movements in working capital			
Net (increase)/decrease receivables and pre-payments	(1,446)	(4,690)	(1,870)
Net decrease in inventories	8,936	2,255	389
Net (decrease)/increase in payables	(919)	(6,126)	(7,033)
Net decrease in contract liabilities	(325)	233	(265)
Net increase in finance receivables	(2,215)	81	(11,117)
Net decrease in reverse annuity mortgages	1,235	391	673
Net (increase)/decrease of insurance assets at fair value through profit or loss	(2,917)	(752)	(2,293)
Net withdrawals from life investment contracts	36	12	(92)
Net increase/(decrease) in deferred tax liability	(261)	(285)	2,327
Net (decrease)/ increase in tax payable	(1,996)	(4,287)	(1,413)
Cash flows from operating activities	26,923	14,612	29,671

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Turners Automotive Group Limited

Notes to the condensed financial statements for the six months ended 30 September 2024

3. Segment information

Five reportable segments have been identified as follows:

- Auto retail - remarketing (motor vehicles, trucks, heavy machinery and commercial goods) and purchasing goods for sale.
- Finance - provides asset-based finance to consumers and SME's.
- Insurance - marketing and administration of a range of life and consumer insurance products.
- Credit management - collection services, credit management and debt recovery services to the corporate and SME sectors. Geographically the collections services segment business activities are in New Zealand and Australia.
- Corporate & other - corporate centre.

3.1 Operating Segments

Revenue	Total	Inter-segment	Customer	Total	Inter-segment	Customer	Total	Inter-segment	Customer
	30/09/2024	30/09/2024	30/09/2024	30/09/2023	30/09/2023	30/09/2023	31/03/2024	31/03/2024	31/03/2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Automotive retail	147,094	(799)	146,295	161,025	(4,939)	156,086	300,366	(1,750)	298,616
Finance	33,560	-	33,560	30,154	-	30,154	62,416	-	62,416
Insurance	24,539	(868)	23,671	23,617	(897)	22,720	47,838	(1,765)	46,073
Credit management	5,368	-	5,368	5,260	-	5,260	9,794	(10)	9,784
Corporate & other	92	-	92	13	-	13	79	-	79
	210,653	(1,667)	208,986	220,069	(5,836)	214,233	420,493	(3,525)	416,968
Operating profit							30/09/2024	30/09/2023	31/03/2024
							Unaudited	Unaudited	Audited
							\$'000	\$'000	\$'000
Automotive retail							14,694	17,957	31,807
Finance							8,081	5,089	12,228
Insurance							7,739	7,156	14,287
Credit management							1,823	1,782	3,121
Corporate & other							(5,404)	(6,284)	(12,304)
Profit/(loss) before taxation							26,933	25,700	49,139
Income tax							(7,633)	(7,174)	(16,173)
Profit attributable to shareholders							19,300	18,526	32,966

Turners Automotive Group Limited

Notes to the condensed financial statements for the six months ended 30 September 2024

	Interest revenue			Interest expense			Depreciation and amortisation expenses		
	30/09/2024	30/09/2023	31/03/2024	30/09/2024	30/09/2023	31/03/2024	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Automotive retail	273	290	687	(1,806)	(1,717)	(3,583)	(4,632)	(4,499)	(9,700)
Finance	29,385	26,269	54,551	(9,923)	(8,894)	(18,399)	(423)	(384)	(775)
Insurance	1,990	1,662	3,505	(20)	(26)	(50)	(476)	(569)	(1,173)
Credit management	25	2	5	(17)	(10)	(9)	(103)	(103)	(162)
Corporate & other	66	13	31	(2,253)	(2,934)	(6,174)	(85)	(80)	(158)
	31,739	28,236	58,779	(14,019)	(13,581)	(28,215)	(5,719)	(5,635)	(11,968)
Eliminations	(62)	(179)	(373)	62	179	373	-	-	-
	31,677	28,057	58,406	(13,957)	(13,402)	(27,842)	(5,719)	(5,635)	(11,968)

Other material non-cash items

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000
Finance - impairment provisions	(1,615)	(2,428)	(4,562)

3.2 Segment assets and liabilities

	Assets			Liabilities		
	30/09/2024	30/09/2023	31/03/2024	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Automotive retail	160,584	161,408	163,917	138,647	136,488	96,478
Finance	457,237	453,108	457,041	352,568	340,733	340,080
Insurance	152,004	136,881	151,002	80,271	78,447	78,511
Credit management	37,337	34,569	35,432	3,737	3,196	2,927
Corporate & other	260,354	252,911	255,178	89,388	97,206	100,174
	1,067,516	1,038,877	1,062,570	664,611	656,070	618,170
Eliminations	(191,993)	(183,967)	(196,912)	(76,764)	(80,787)	(30,736)
	875,523	854,910	865,658	587,847	575,283	587,434

Turners Automotive Group Limited

Notes to the condensed financial statements for six months ended 30 September 2024

4. Revenue and expenses

	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Revenue from continuing operations includes:			
Interest income	31,677	28,057	58,406
Sales of goods	100,614	112,674	215,054
Commission and other sales revenue	48,022	45,293	87,549
Loan fee income	1,382	1,348	2,669
Insurance and life investment contract income	19,715	19,694	39,181
Collection income	5,343	5,258	9,810
Bad debts recovered	956	988	1,879
Other revenue	842	544	1,597
	208,551	213,856	416,145
<i>Other income comprises:</i>			
Gain on sale of property, plant and equipment	264	106	233
Rental income	148	193	386
Other	23	78	204
	435	377	823
Revenue from contracts with customers			
Over time			
<i>Auto retail</i>			
Commission and other sales revenue	11,362	11,474	21,874
<i>Finance</i>			
Other sales revenue	1,837	1,523	3,306
At a point in time			
<i>Auto retail</i>			
Sales of goods	100,614	112,674	215,054
Auction commissions	33,699	31,476	60,640
<i>Credit management</i>			
Collection income	5,043	5,108	9,510
Voucher income	300	150	300
<i>Insurance</i>			
Motor vehicle insurance commissions	1,124	820	1,729
Movement in impairment provisions			
Provisions for:			
Specific impaired finance receivables	311	327	1,333
Collective impairment provision for finance receivables	1,340	1,923	2,699
Movement in economic overlay provision	(196)	-	345
Collective impairment on reverse annuity mortgages	-	20	57
Finance receivables bad debts written off	160	178	182
Movement	1,615	2,448	4,616

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Notes to the condensed financial statements for six months ended 30 September 2024

	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Depreciation			
- Buildings	211	186	380
- Plant, equipment & motor vehicles	726	678	1,456
- Leasehold improvements, furniture, fittings & office equipment	472	523	1,027
- Computer equipment	436	593	1,427
- Signs & flags	80	73	145
Amortisation of right-of-use asset	3,116	2,942	6,179
<i>Intangible amortisation</i>			
- Amortisation of software	418	380	834
- Amortisation of customer relationships	260	260	520
	5,719	5,635	11,968

5. Finance receivables

	30/09/2024 Unaudited \$'000	30/09/2023 Unaudited \$'000	31/03/2024 Audited \$'000
Gross finance receivables	429,221	420,554	429,400
Deferred fee revenue and commission expenses	10,120	10,024	10,111
Impairment provisions	(6,375)	(7,673)	(6,902)
Economic overlay provision	(2,114)	(1,965)	(2,310)
	430,852	420,940	430,299
Fair value	432,915	420,938	432,065

Securitisation

The Group has two Trusts under which it securitises finance receivables. The Trusts are special purpose entities set up solely for the purpose of purchasing finance receivables originated by the finance sector. The New Zealand Guardian Trust Company Limited has been appointed Trustee and NZGT Security Trustee Limited as the security trustee for both Trusts. The Group is the sole beneficiary of both Trusts.

The Group has power over the Trusts, exposure, or rights, to variable returns from its involvement with the Trusts and the ability to use its power over the Trusts to affect the amount of the Group's returns from the Trusts. Consequently, the Group controls the Trusts and has consolidated the Trusts into the Group's financial statements.

The Group retains substantially all the risks and rewards relating to the finance receivables sold and therefore the finance receivables do not qualify for derecognition and remain on the Group's consolidated statement of financial position.

Turners Marque Warehouse Trust 1 (the Trust)

The Trust has a wholesale funding facility with the Bank of New Zealand (BNZ) which is secured by finance receivables sold to the Trust. The facility is \$355m and with a 1-year term that will be renewed annually. BNZ fund up to 90% (30 September 2023 & 31 March 2024: 90%) of the purchase price of the finance receivables with the balance funded by sub-ordinated notes from the Group.

During the reporting period \$105.6m finance receivables were sold to the Trust (30 September 2023: \$96.4m; 31 March 2024: \$202.4m) and in the six months ended 30 September 2023, the Trust sold \$100.0m finance receivables to the Turners Marque ABS 2023-1 Trust. As at 30 September 2024 the carrying value of finance receivables in the Trust was \$307.4m (30 September 2023: \$247.6m; 31 March 2023: \$281.2m).

Turners Marque ABS 2023-1 Trust (the 2023-1 Trust)

The 2023-1 Trust is a closed pool trust and issued \$100m notes comprising \$70m Class A1 notes and \$20.7m Class A2 notes both rated AAA^{sf} (Fitch) and \$9.3m unrated Class B notes, the Class A2 notes, and B notes are held by the Group. In the six months ended 30 September 2023, the 2023-1 Trust purchased \$100.0m finance receivables from the Trust. As at the 31 September 2024 the carrying value of finance receivables in the 2023-1 Trust was \$52.1m (30 September 2023: \$96.4m; 31 March 2024: \$72.9m).

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Notes to the condensed financial statements for six months ended 30 September 2024

6. Borrowings

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000
Secured bank borrowings	390,340	347,385	373,710
Non-bank borrowings	35,234	70,000	51,608
Total borrowings	425,574	417,385	425,318
Fair value	429,128	412,328	423,539

Secured bank borrowings

At September 2024, the Group has a syndicated funding facility, including an 18 month working capital facility, with the Bank of New Zealand, ASB Bank and Westpac New Zealand and a securitisation facility with the Bank of New Zealand.

The bank borrowings are secured by a first-ranking general security agreement over the assets of the Company and its subsidiaries, excluding DPL Insurance Limited, Turners Finance Limited and EC Credit (Aust.) Limited. The bank funded securitisation financing arrangement is described under finance receivables.

Non-bank borrowings

The Group's non-bank securitisation arrangement with the Accident Compensation Corporation is described under finance receivables.

7. Shareholders' equity

7.1 Share capital

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
Number of ordinary shares			
Opening balance	88,353,689	86,700,247	86,700,247
Shares issued for staff options	175,000	300,000	300,000
Shares issued for employee share scheme	70,352	95,305	95,305
Shares issued under DRP	377,773	420,981	1,258,137
Total issued and authorised capital	88,976,814	87,516,533	88,353,689
Dollar value of ordinary shares (\$,000)			
Opening balance	213,222	207,076	207,076
Shares issued for staff options	423	696	696
Shares issued for employee share scheme	310	340	340
Shares issued under DRP	1,594	1,489	5,134
Share issue costs	(32)	-	(24)
Total issued capital	215,517	209,601	213,222

7.2 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 September and 31 March was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, as follows:

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
Profit for the year (\$'000)	19,300	18,526	32,966
Weighted average number of ordinary shares at 31 March	88,584,975	86,992,394	87,423,305
Basic earnings per share (cents per share)	21.79	21.30	37.71
Weighted number of shares			
Opening balance	88,353,689	86,700,247	86,700,247
Shares issued for staff options	81,585	127,732	211,858
Shares issued for employee share scheme	13,455	17,186	56,246
Shares issued under DRP	136,246	147,229	454,954
	88,584,975	86,992,394	87,423,305

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Notes to the condensed financial statements for six months ended 30 September 2024

Diluted earnings per share

The calculation of diluted earnings per share at 30 September and 31 March was based on the diluted profit attributable to shareholders and a diluted weighted average number of ordinary shares outstanding as follows:

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000
Continuing operations	19,300	18,526	32,966
Add: Long term incentive expense related to options	8	32	55
Profit for the year	19,308	18,558	33,021

<i>Weighted number of ordinary shares (diluted)</i>			
Weighted average number of shares (basic)	88,584,975	86,992,394	87,423,305
Effect of the exercise of options	305,249	392,832	376,944
Weighted average number of shares (diluted)	88,890,224	87,385,226	87,800,249
Diluted earnings per share (cents per share)	21.72	21.24	37.61

7.3 Dividends

	Six months ended 30/09/2024 Unaudited \$'000	Six months ended 30/09/2023 Unaudited \$'000	Year ended 31/03/2024 Audited \$'000
Quarterly dividend for the year ended 31 March 2023 of \$0.06 per fully paid ordinary share, imputed, paid on 27 April 2023.	-	5,202	5,202
Final dividend for the year ended 31 March 2024 of \$0.075 (31 March 2023: \$0.07) per fully paid ordinary share, imputed paid on 26 July 2024 (2023: 28 July 2023).	6,634	6,085	6,085
Quarterly dividend for the year ended 31 March 2024 of \$0.06 per fully paid ordinary share, imputed, paid on 27 October 2023.	-	-	5,251
Quarterly dividend for the year ended 31 March 2024 of \$0.06 per fully paid ordinary share, imputed, paid on 26 January 2024.	-	-	5,267
Quarterly dividend for the year ended 31 March 2024: \$0.06 per fully paid ordinary share, imputed, paid on 27 March 2024.	-	-	5,285
	6,634	11,287	27,090

Dividend not recognised at 30 September:

In addition to the above dividends, after 30 September directors have recommended the payment of the following dividends:

Final dividend of \$0.075 for the year ended 31 March 2024 per fully paid ordinary share, imputed, payable on 26 July 2024.	-	-	6,642
Quarterly dividend for the year ended 31 March 2025 of \$0.06 (31 March 2024: \$0.06) per fully paid ordinary share, imputed, paid on 30 October 2024 (2024: 27 October 2023).	5,337	5,251	-
Quarterly dividend for the year ended 31 March 2025 of \$0.07 (31 March 2024: \$0.06) per fully paid ordinary share, imputed, paid on 29 January 2025 (2024: 26 January 2024).	6,249	5,267	-

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Notes to the condensed financial statements for six months ended 30 September 2024

8. Cash and cash equivalents

	30/09/2024	30/09/2023	31/03/2024
	Unaudited	Unaudited	Audited
	\$'000	\$'000	\$'000
DPL Insurance Limited	873	1,459	2,060
Turners Marque Warehouse Trust 1	4,669	3,085	3,020
Turners Marque ABS 2023-1 Trust	3,537	4,305	3,704
Other	7,601	3,790	8,739
	16,680	12,639	17,523

Cash and cash equivalents in the Group's insurance business and securitisation trusts may not be available for use by the wider Group.

9. Investment in associate

On 6 September 2024, the Group acquired a 50% ownership interest in My Auto Shop for \$3.35 million. My Auto Shop, a vehicle repair booking platform with an in-house mobile repair service, is incorporated and operates in New Zealand. The Group exercises joint control and significant influence over My Auto Shop. Consequently, the investment has been classified as an associate and is accounted for using the equity method.

10. Assets and liabilities carried at fair value

The fair value of financial assets and liabilities carried at fair value are summarised in the table below. The methods used to calculate fair value are the same as those applied when preparing the Group's Annual Report for the year ended 31 March 2024 (refer note 12.5 in the Annual Report for the year ended 31 March 2024). During the period there were no movements of fair value assets or liabilities between levels of the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30/09/2024				
Fair value assets:				
Financial assets at fair value through profit or loss - insurance	-	7,569	-	7,569
Financial assets at fair value through profit or loss - term deposits	65,125	-	-	65,125
	65,125	7,569	-	72,694
Fair value liabilities:				
Derivative financial instruments	-	3,507	-	3,507
30/09/2023				
Fair value assets:				
Financial assets at fair value through profit or loss - insurance	-	7,041	-	7,041
Financial assets at fair value through profit or loss - term deposits	60,400	-	-	60,400
Derivative financial instruments	-	5,474	-	5,474
	60,400	12,515	-	72,915
31/03/2024				
Fair value assets:				
Financial assets at fair value through profit or loss - insurance	-	7,508	-	7,508
Financial assets at fair value through profit or loss - term deposits	61,975	-	-	61,975
Derivative financial instruments	-	1,774	-	1,774
	61,975	9,282	-	71,257

11. Commitments

Capital expenditure:

At the reporting date the Group had commitment for \$4.5m for the development of one site (2024: \$10.4m for the purchase of one property and the development of two sites).

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Distribution Notice (updated)

Section 1: Issuer information			
Name of issuer	Turners Automotive Group Limited		
Financial product name/description	Ordinary shares		
NZX ticker code	TRA		
ISIN	NZVNLE0001S1		
Type of distribution	Full Year		Quarterly X
(Please mark with an X in the relevant box/es)	Half Year		Special
	DRP applies	X	
Record date	10 January 2025		
Ex-Date (one business day before the Record Date)	9 January 2025		
Payment date	29 January 2025		
Total monies associated with the distribution	\$ 6,249,017.25		
Source of distribution	Retained earnings		
Currency	NZD		
Section 2: Distribution amounts per financial product			
Gross distribution	\$0.09722222		
Total cash distribution	\$0.07000000		
Excluded amount (applicable to listed PIEs)	n/a		
Supplementary distribution amount	\$0.01235294		
Section 3: Imputation credits and Resident Withholding Tax			
Is the distribution imputed	Fully imputed		
If fully or partially imputed, please state imputation rate as % applied	28%		
Imputation tax credits per financial product	\$0.02722222		
Resident Withholding Tax per financial product	\$0.00486111		
Section 4: Distribution re-investment plan (if applicable)			
DRP % discount (if any)	2%		
Start date and end date for determining market price for DRP	9 January 2025	15 January 2025	
Date strike price to be announced (if not available at this time)	16 January 2025		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New issue		
DRP strike price per financial product			
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	13 January 2025		
Section 4: Authority for this announcement			
Name of person authorised to make this announcement	Barbara Badish		
Contact person for this announcement	Todd Hunter		
Contact phone number	021 722 818		
Contact email address	Todd.Hunter@turners.co.nz		
Date of release through MAP	25 November 2024		

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